




ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

17 October 20, 2015


PATRICK O'GAWA
ACTING EXECUTIVE OFFICER

Los Angeles County
Board of Supervisors

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October 20, 2015

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**AUTHORIZE THE ACQUISITION OF HARDWARE EXPANSION FOR THE
FUJI RADIOLOGY PICTURE ARCHIVING AND COMMUNICATION SYSTEM
CURRENTLY USED IN THE DEPARTMENT OF HEALTH SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*

SUBJECT

Authorize the acquisition of hardware expansion and professional services for the Fuji Radiology Picture Archiving and Communication System currently used in the Department of Health Services.

IT IS RECOMMENDED THAT THE BOARD:

Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the sole source acquisition of hardware expansion and professional services for the Department of Health Services (DHS) Fujifilm Medical Systems USA, Inc. (Fuji) Radiology Picture Archiving and Communication System (PACS) at a total cost of \$781,109.



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PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On February 4, 2014, the Board authorized ISD to proceed with the acquisition of hardware, software, and professional services from Fuji for the Radiology PACS Project at DHS. The Project centralized and consolidated DHS Fuji Radiology PACS at LAC+USC Medical Center (LAC+USC MC) and Martin Luther King, Jr. Outpatient Center (MLK OC). The PACS is used enterprise wide as a radiology solution for DHS. The PACS supports an estimated one million radiology procedures annually for radiologists to view new and comparison radiology studies; provides patient diagnosis while reading images online via a Food and Drug Administration (FDA) compliant diagnostic workstation; uses speech recognition technology; and completes a radiology report. PACS also interfaces with the Online Real-Time Centralized Health Information Database (ORCHID).

Approval of this action will provide for the acquisition of hardware expansion, workflow and training services, and professional services for the DHS Fuji Radiology PACS Project. The Project will expand storage for the existing DHS Fuji Radiology PACS at LAC+USC MC and MLK OC. Professional services will provide the installation support of this storage expansion.

Implementation of Strategic Plan Goals

The recommended action supports Goal 1, Operational Effectiveness/Fiscal Sustainability, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total one-time cost for this hardware expansion and professional services for the installation and a one-year warranty is \$781,109. The combined hardware expansion cost includes \$670,609 in Capital Assets and \$110,500 in professional services. Funding is included in the DHS Fiscal Year (FY) 2015-16 Final Budget.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On October 16, 2001, the Board approved the classification categories for fixed assets and new requirements for major capital asset purchases requiring County departments to obtain Board approval to purchase or finance equipment with a unit cost of \$250,000 or greater prior to submitting their requisition to the County's Purchasing Agent.

The County Chief Information Officer recommends approval of this purchase and that Office's Analysis is attached (Attachment I).

CONTRACTING PROCESS

This is a commodity purchase under the statutory authority of the County's Purchasing Agent, in accordance with County Purchasing Policies and Procedures established by ISD. This purchase of storage expansion and professional services is required to expand storage capabilities of the DHS Fuji Radiology PACS Project. This storage expansion purchase cannot be obtained from any vendor other than Fuji since Fuji is DHS' Radiology PACS vendor and the only vendor that can provide 24/7 maintenance and support for the entire DHS Radiology PACS Project.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

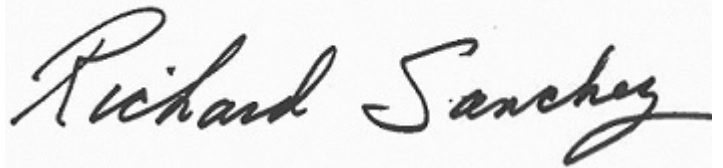
Approval of the recommendation will ensure the acquisition of hardware expansion and associated professional services for the DHS Fuji Radiology PACS Project.

Respectfully submitted,



Mitchell H. Katz, M.D.
Director

Reviewed by:



RICHARD SANCHEZ
Chief Information Officer

MHK:RS:mm

Enclosures

c: Chief Executive Office
Executive Office, Board of Supervisors
County Counsel
Internal Services Department



RICHARD SANCHEZ
CHIEF INFORMATION OFFICER

Office of the CIO CIO Analysis

NUMBER:

CA 15-17

DATE:

08/24/2015

SUBJECT:

AUTHORIZE THE ACQUISITION OF HARDWARE EXPANSION FOR THE FUJI RADIOLOGY PICTURE ARCHIVING AND COMMUNICATION SYSTEM CURRENTLY USED IN THE DEPARTMENT OF HEALTH SERVICES

RECOMMENDATION:

☒ Approve☐ Approve with Modification☐ Disapprove

CONTRACT TYPE:

☐ New Contract☐ Sole Source☐ Amendment to Agreement☒ Other: Hardware Purchase

CONTRACT COMPONENTS:

☐ Software☒ Hardware☐ Telecommunications☒ Professional Services

SUMMARY:

Department Executive Sponsor: **Mitchell H. Katz, M.D., Director, Department of Health Services**

Description: Authorize the Internal Services Department (ISD), as the County's Purchasing Agent, to proceed with the purchase of hardware for storage expansion and professional services with a total one-time cost of \$781,109 for the Fuji Radiology Picture Archiving and Communication System (PACS) consolidation project for the Department of Health Services (DHS).

Amendment Amount: **\$781,109**Funding Source: **DHS Fiscal Year (FY) 2015-16 Final Budget**☐ Legislative or Regulatory Mandate☐ Subvened/Grant Funded: Enter %

Strategic and Business Analysis

PROJECT GOALS AND OBJECTIVES:

Description: The acquisition of hardware expansion and professional services for the Fuji Radiology PACS consolidation project will increase the storage capacity of this enterprise solution for DHS. The project is centralized and consolidated for DHS and its facilities.

BUSINESS DRIVERS:

The key business drivers are:

1. Provide hardware expansion and professional services for the DHS PACS;
2. Support DHS future image and data growth.

	<p>PROJECT ORGANIZATION:</p> <p>Mitchell H. Katz, M.D., Director is the Executive Sponsor. Laurie Martinez is the DHS IT Project Director and Reggie McElroy is the PACS Section Manager.</p> <hr/> <p>PERFORMANCE METRICS:</p> <p>This project will continue to be measured on the following success criteria:</p> <ul style="list-style-type: none"> - Monitor Service Level Agreement (SLA) and storage utilization with the vendor over time. <hr/> <p>STRATEGIC AND BUSINESS ALIGNMENT:</p> <p>The project supports Goal 1, Operational Effectiveness/Fiscal Sustainability; and Goal 3, Integrated Services Delivery, of the County’s Strategic Plan.</p> <hr/> <p>PROJECT APPROACH:</p> <p>The vendor will install all hardware required for this hardware expansion at the LAC+USC MC and MLK ACN data centers and will provide all professional services. It is anticipated that this project will be completed on or before June 30, 2016.</p> <hr/> <p>ALTERNATIVES ANALYZED:</p> <p>There was no business need to analyze alternatives. Fuji is DHS PACS vendor for this hardware expansion project since Fuji is the only vendor that can provide the hardware, perform professional services and maintain this direct healthcare system 24/7 according to the Board agreement with vendor for maintenance and support services.</p>
Technical Analysis	<p>ANALYSIS OF PROPOSED IT SOLUTION:</p> <p>The DHS PACS solution is in place and live at two DHS facilities. This request is for hardware expansion and professional services that will be provided by the vendor, Fuji.</p> <p>Introduction:</p> <p>PACS is used enterprise wide as a Radiology solution for DHS. This solution supports an estimated one million Radiology procedures annually for radiologists to view new and comparison Radiology studies; provides patient diagnosis while reading images online via a Food and Drug Administration (FDA) compliant diagnostic workstation, and uses speech recognition technology to complete a Radiology report. PACS also interfaces with the Online Real-Time Centralized Health Information Database (ORCHID).</p> <p>Infrastructure:</p> <p>The DHS PACS solution is implemented and live at two DHS facilities (LAC+USC MC and MLK ACN). This project provides a centralized build and redundancies between the LAC+USC MC and MLK Data Centers and eliminates points of failure throughout DHS. This DHS PACS solution is more energy and hardware efficient because of the virtual environment in which this system is configured.</p>

Software:

The DHS PACS solution is implemented with existing Synapse software licenses purchased in 2005. The Synapse client is web-based. The Operating System (OS) is on a Microsoft Windows Server platform and the Synapse System uses a Fuji proprietary custom Oracle database. The DHS PACS solution includes the following software and OS Stack:

- Synapse PACS Desktop Clinical Interface
- Synapse PACS Web-link
- Oracle Enterprise
- VMware ESX Enterprise
- Microsoft Windows Server 2008
- Microsoft SQL Server 2008

Interface:

Data from ORCHID is interfaced to the DHS PACS solution, where ORCHID patient information is matched with the patient's PACS images and radiology diagnostic reports/clinical notes.

Financial Analysis**BUDGET:****Amendment Amount (Storage expansion):**

On-time:

Hardware.....	\$670,609
Professional Services.....	\$110,500

Total Amendment Amount	\$781,109
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Ongoing Cost for DHS PACS Solution:

Fiscal Year 15-16	0
Fiscal Year 16-17	0
Fiscal Year 17-18 ⁽¹⁾	\$139,150
Fiscal Year 18-19 ⁽¹⁾	\$203,363
Fiscal Year 19-20 ⁽¹⁾	\$203,363
Fiscal Year 20-21 ⁽¹⁾	\$203,363

Total Ongoing Cost.....	\$749,239
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TOTAL COST OF DHS PACS Contract.....	\$3,956,394
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(1) NOTE: Includes maintenance fees for additional storage.

Risk Analysis	RISK MITIGATION: This is an existing system where hardware storage will be expanded. The Chief Information Security Officer (CISO) confirmed that no IT security or privacy related issues exist.
CIO Approval	PREPARED BY:  _____ Sanmay Mukhopadhyay, Sr. Associate CIO Date <u>10/6/2015</u>
	APPROVED:  _____ Richard Sanchez, County Chief Information Officer Date <u>10/6/15</u>

Please contact the Office of the CIO (213.253.5600 or info@cio.lacounty.gov) for questions concerning this CIO Analysis. This document is also available online at <http://ciointranet.lacounty.gov/>